Transportation Performance Audit Board

Review of Performance and Outcome Measures of the Washington State Department of Licensing's Transportation-Related Programs

Presentation of Draft Report

SMG/Columbia Consulting Group
December 3, 2004

Agenda

- Study Purpose

- Study Scope

- Methodology

- Findings

- Recommendations

- Questions & discussion

Study Purpose

- Determine if the Legislature has the means to adequately and accurately assess performance and outcomes of DOL's transportation related programs.

- Determine if performance audits are necessary.

Study Scope

- Driver Services Division

- Vehicle Services Division

- Information Services Division

- Customer Service Center (Call Center)

- Revenue Accounting

To what degree has DOL implemented a fully-functioning performance management system?

Policy Direction

Vision, Mission, Goals

Strategies

Performance Measures & Targets

Budgeting

Tracking & Reporting

Evaluation & Audit

Performance Management

Methodology

- Reviewed documents and conducted interviews to define current performance measurement practices.

- Surveyed three states to compare the use of benchmarks and performance measures. (Missouri, Tennessee, and Virginia)

- Evaluated the performance measures and management system. Identified 402 measures and examined 56 in detail.

- Developed recommendations for future improvements.

Key Features of the Methodology

- Structured research methods and evaluation criteria.

- Documentation to support statements and conclusions.

- Interim status reports and deliverables to inform TPAB of progress and gather your input.

- A collaborative relationship with DOL to facilitate efficient fact finding and accurate interpretation of data.

Overall – A good start, more work to be done

- DOL has made great strides in developing performance management capabilities.

- More should be done to put all the pieces together into a coherent performance management "system."
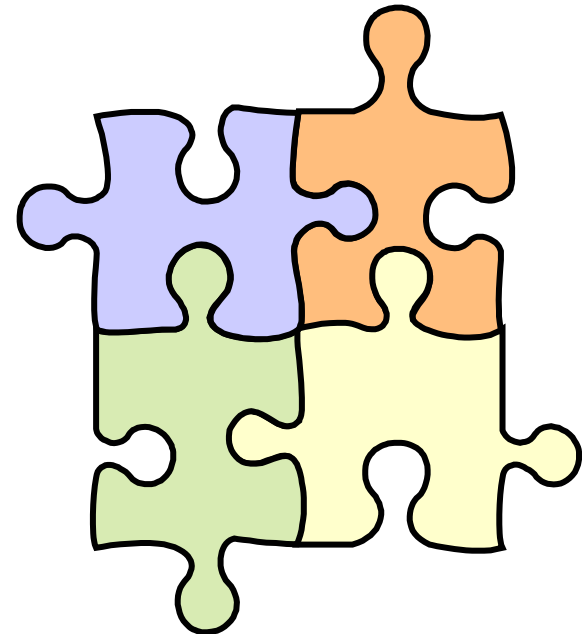
Overall Findings – Improvements have been made

- All transportation programs use or are developing performance measures.

- Practices vary ranging from very well developed cultures of performance management to those that are just beginning.

- Several initiatives for improvement are underway.

- Results have already been achieved:
  - Reduced customer wait times
  - Improved telephone service
  - Reduced DUI dismissal rates

Legislative Mandates - Findings

- Legislative mandates for strategic planning, definition of outcome-based objectives and measures, and budget linkages are clear.

- DOL's Strategic Plan is consistent with legislative mandates.

- DOL budgets include few true measures of performance or outcome.

- The Strategic Plan and performance measures are not explicitly linked.

Performance Management - Findings

- There is no standard and repeatable strategic planning and performance measurement process in place.

- DOL has focused on fulfilling Office of Financial Management's (OFM) guidelines rather than building a process suitable for its own planning purposes.

Performance Management – Findings (continued)

- DOL has improved its use of performance measures for internal management:

  - Vehicle Services has identified over 200 measures and is collecting data in its PM&R repository.

  - Driver Services uses its Workload Model to monitor and manage customer wait times, staff utilization, drive test wait times, and test pass rates.

  - Information Services and Customer Service Center have developed a strong and effective culture of performance management and improvement.

Legislative/Oversight Reporting - Findings

- DOL does not have a single set of oversight measures that it reports to the public, Legislature, Governor or TPAB.

- DOL responds to requests for performance information on an ad-hoc basis.

- The Agency Activity Inventory (AAI), under development, will be the primary oversight report. The current version includes 73 measures.

Performance Measures and Data – Findings

- SMG reviewed 56 measures.

- DOL performance measures/data are **valid, verifiable, reliable, and controllable** – with the exception of demand driven workload.

- Managers have faith in the data produced.

Performance Measures and Data – Findings (continued)

- In most cases, performance measures are **not well-specified** because they are not formally documented.

- Exceptions are: Information Services Division and Customer Service Center Service Level Agreements.

- Without effective documentation, DOL is exposed:

  - "Measure owners" know the calculations and data. It's best to ask the owner for the data.

  - Knowledge could be lost with turnover.

  - Measures and data could be misinterpreted.

- DOL is working to improve the situation: Vehicles Services is beginning to document measures, Driver Service Workload Model will be documented.

Performance Measures and Data – Findings (continued)

- DOL's measures are **not well-balanced**.

- Balanced measures should include:
  - Outcome, financial, process and investment measures.
  - Cost, quality and timeliness measures.

- Unbalanced measures are not sufficient to make fully informed decisions.
  - Majority of measures are workload measures – not performance measures.
  - Few measures of cost of service and efficiency.
  - Licensing Service Office (LSO) service quality not being measured systematically.

Performance Measures and Data – Findings (continued)

- Measurement of **customer satisfaction** is limited.

- Random sample surveys have been conducted every 4 years on average. Another is planned for 2005.

- Comment cards provide good feedback, but results are not statistically valid.

- A team is working on managing comment card feedback more systematically.
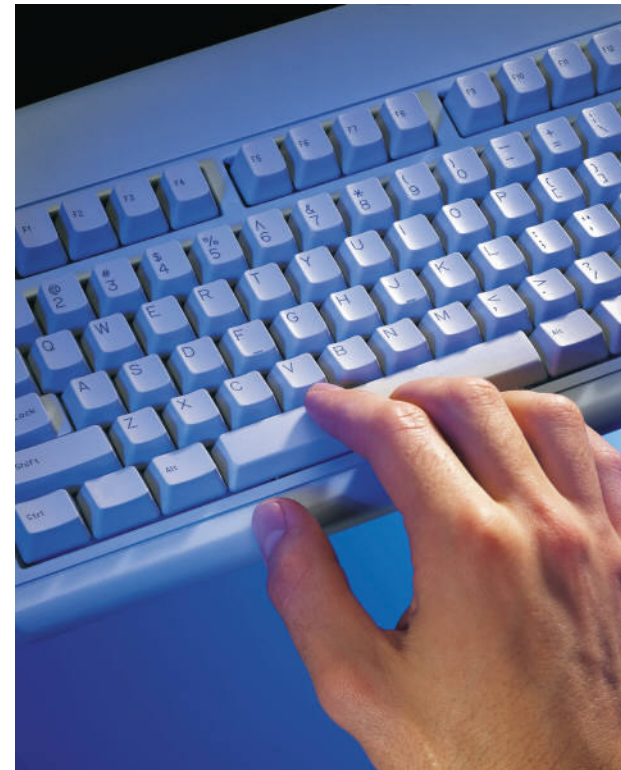
Performance Reporting - Findings

- ***Oversight performance reports*** are under development.

- Budget Decision package performance measures are limited.

- Agency Activity Report will begin regular reporting in Q1 of 2005.

- Measures could be reduced in number and restructured to provide a more balanced view of performance.

Performance Reporting - Findings (continued)

- Most **_internal reports_** are clear, understandable, but could be automated.

- Most reports are produced using homegrown spreadsheets and databases.

- Data from production systems is manually entered to produce reports.

- Business intelligence technology is being purchased to improve performance reporting and analysis.

Performance Reporting – Findings (continued)

- Tools, reports and processes were developed to fill specific purposes. There is some redundancy.

- Strategic planning, budgeting, and performance management not linked in a continuous process.

- Oversight reporting is limited.

- There is no central place to access performance information.

Information Technology - Findings

- Only Vehicle Services has a central repository for performance measures and data.

- Information Services Division is well-positioned to support improvements.

- DOL is exploring Business Intelligence, or "Data Cube" technology to improve access to performance data.

Performance Benchmarking - Findings

- Other states have clearly defined oversight measures that are reported to the Governor, legislature, other oversight agencies, and the public on a regular basis.

- Measures have benchmarks, most include targets for improvement.

- In comparison, DOL's performance measures and benchmarks are under development. Oversight measures are not clearly defined.

Performance Benchmarking – "Excellent Practices"

- Strategic planning and performance measurement is part of the culture.

- Performance measures are linked to strategic plans and budgets.

- Oversight measures are clearly defined and stable over time.

- Performance measures are published on agency or state websites.

- There is a process for replacing or adjusting measures, benchmarks and targets. They are not changed arbitrarily.

- When possible, benchmark performance is compared to peer agencies on a regular basis.
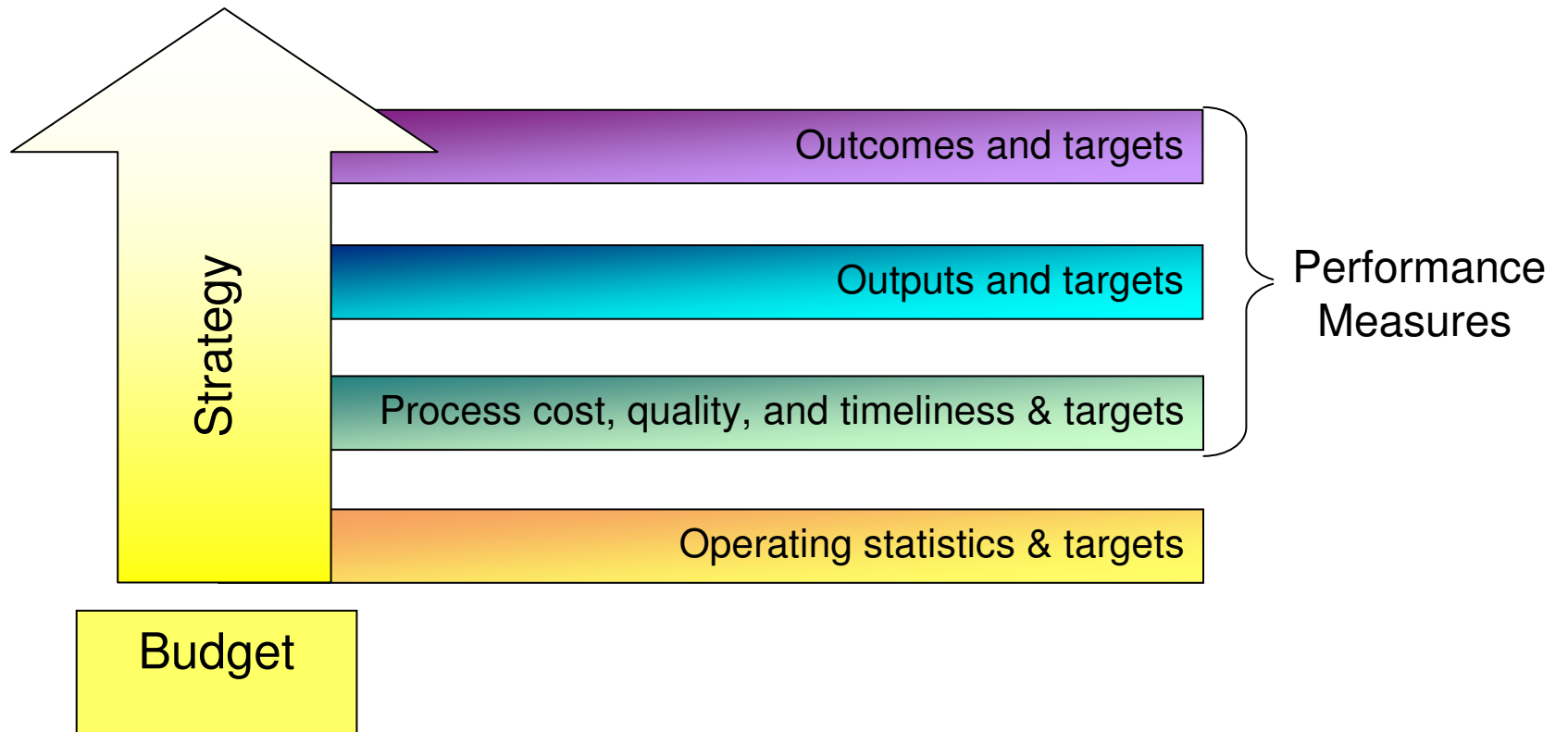
In General -

- The DOL is making significant progress in identifying performance measures and creating a performance management system.

- There are opportunities to improve.

- SMG found no reason to recommend a performance audit.

Recommendations for Improvement

Performance Management cycle:

- Policy Direction
- Vision, Mission, Goals
- Strategies
- Performance Measures & Targets
- Budgeting
- Tracking & Reporting
- Evaluation & Audit

Where DOL Needs to Be:

Strategy

Outcomes and targets

Outputs and targets

Process cost, quality, and timeliness & targets

Performance Measures

Operating statistics & targets

Budget

#1 – Develop concise, balanced, and stable oversight measures

- Oversight measures should be:
  - Concise.
  - Linked to goals, objectives and strategies.
  - Stable over time to show trends.
  - Compared to benchmarks and targets.
  - Published and available for public view.

#2 – Develop a TPAB performance report

- DOL and TPAB should collaborate to develop the report.

- Produce the report at regular intervals.

- Suggested components for your report:

  - A concise list of performance measures.

  - Actual performance relative to benchmarks.

  - Purpose of measures and how they relate to one another.

  - Narrative explaining performance.

  - Description of how strategies for improvement are expected to affect key performance measures.

#3 – Continue to make investments in performance management

- Evaluate and standardize reports to create a "system" that works together.

- Strengthen the relationship between strategy and performance measurement.

- Balance measures to include cost, quality and timeliness.

- Identify ways to measure the cost of providing service.

- Reevaluate Vehicle Services measures after a period of use.

#4 – Develop a standard, repeatable process that links strategic planning, budgeting and performance measures

- DOL should build on lessons learned and develop its own "plan for planning" with timeframes, roles and responsibilities.

- Modify outputs to meet State guidelines. This does not change the process!

- Link strategic planning, budgeting and performance measurement.

#5 – Measure customer satisfaction as part of normal operations

- Conduct regular assessments (annual or better) of customer satisfaction at Licensing Service Offices and Vehicle Licensing venues.

- Systematically collect, summarize and distribute findings from comment cards. (An initiative is in progress.)

#6 – Create a central performance measurement repository

- Create a central repository for oversight and operating performance measures.

- Document definitions, assumptions, data sources and calculations.

- Make measures, data, and documentation available to management and staff via the agency intranet.

Summary

- Congratulate DOL on the work they have completed. The agency has made significant progress.

- There are opportunities to improve. DOL must begin to:

  - Create linkages between its tools and processes to create a performance management system.

  - Develop concise, balanced and stable oversight performance information that is reported regularly.

- SMG finds no reason to recommend a performance audit at this time.

Questions & discussion